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Union City Council
Mayor Carol Dutra-Vernaci
Council Member Emily Duncan
34009 Alvarado-Niles Road
Union City, CA 94587

Council Member Gary Singh
Council Member Jaime Patino
Council Member Pat Gacoscos

**RE: SUPPORT TO EXPAND AND MODIFY THE CITY'S COMMERCIAL
CANNABIS ORDINANCE TO AUTHORIZE ADULT USE SALES FOR
PERMITTED STOREFRONT RETAILERS.**

Dear Honorable Mayor Dutra-Vernaci and Council Members:

GOE Union City Hold Co. dba Garden of Eden, EDH Co., EMH Co., and ECH Co, (collectively, “Eden Campus” or “Eden”) located at 30540-30544 Union City Blvd., Union City, CA 94587 is a vertically integrated commercial cannabis operation. On November 27, 2018 the City Council awarded Eden with local permits for Medical Only Storefront Retail, Distribution, Manufacturing and Cultivation. Since obtaining City approval, the Eden Campus team has been working diligently on the multi-phased (Phase I - Retail and Distribution and Phase II - Manufacturing and Cultivation) project with City Planning and Building staff. With a strong desire to commence with meaningful operations, Eden provides its strongest support for authorizing Adult Use sales in the City.

I. BACKGROUND / TIMELINE

Eden Campus’ Principals own and operate Garden of Eden - Hayward (“GOE”), one of the oldest dispensaries in the United States and the Bay Area. GOE started out as a refuge for community members seeking responsibly-sourced clean and tested medical cannabis in the quasi-legal market of its time. GOE

strengthened its roots and weathered the storm and is now fully licensed for both Medical and Adult Use sales. GOE offers a curated selection of cannabis products, choosing quality over quantity for its customers since 2003. Eden's approach has won awards, recognition, and praise from customers, community organizations and elected officials. GOE has established itself as a pillar in the community, providing its customers with clean, high quality cannabis products, while encouraging responsible consumption and safe access. Eden's sustained history of building community trust and exceeding regulatory requirements lends itself to a bright future as a purveyor of Medical and Adult Use cannabis in the City.

The anticipated timeline for Eden Campus Phase I - Storefront Retail, Distribution and exterior improvements to the Facility, is as follows:

- Actively finalizing Building Plans to be submitted for approval, with Plans likely being submitted mid-August 2019.
- Anticipates approval to be received within sixty (60) days, or around the second week of November 2019.
- Upon issuance of Building Permits, Tenant Improvements ("T/I") shall commence immediately. Anticipates T/I to begin on or about October 13, 2019.
- T/I is scheduled to be completed in four (4) months.
- Electrical and Plumbing inspections will be completed simultaneously with construction and Eden anticipates this process to commence within forty-five (45) days, on or about February 11, 2020.
- Schedule all Final Inspections and receive a Certificate of Occupancy, on or about February 28, 2020.
- Estimated Opening in March 2020*.
- Phase I will be followed by Phase II - Manufacturing and initiation of Cultivation with additional timelines for expanded Cultivation.

With an Adult Use allowance, Eden intends to commence operations with a well-publicized Grand Opening event. Without an Adult Use allowance, a large Grand Opening will not be practical or feasible.

II. AUTHORIZING ADULT USE SALES IS CRITICALLY IMPORTANT FOR EDEN CAMPUS (AND OTHER RETAILERS) TO REMAIN SUCCESSFUL AND COMPETITIVE IN THE CURRENT AND FUTURE MARKETPLACE.

The differences between Medical and Adult Use sales from a regulatory perspective are limited to potency and age difference. While there are few regulatory distinctions, there are significant and costly financial business burdens associated with Medical Only in terms of strategy and competitiveness. Expanding the City's Ordinance to allow for Adult Use sales by existing permitted Storefront Retailers, in addition to Medical, will enable GOE Union City to provide blue-chip, superior and competitive service to the City, its residents and the larger County community.¹ The Union City operation will become Eden's flagship location. The facility is being designed with efficiency, innovation, and safety in mind. No difference exists between GOE's existing age-verified menu featured at its Hayward location, an example of which can be found online,² and the Union City location. Eden's Principals take great personal pride in sourcing the curated selection of products GOE offers to its patrons.

¹ As well as other licensed Retailers in the City, as they come online.

² <https://goe.treez.io/onlineMenu/as>.

As a Medical-only retailer, Eden Campus will face several cost prohibitive business challenges. First, the limited number of patient-customer would require a significant reduction in dispensary staff. While Eden Campus plans to open regardless of the use designation, it is Eden's preference to begin job recruitment and operations with its best foot forward, exceeding local hire objectives and promoting from within with educational job training. Second, a Grand Opening event is not viable for a Medical-only facility as it would likely confuse not only long time GOE customers, but new customers who do not possess Medical Marijuana Identification Cards ("MMICs"). Access to the Dispensary would be limited to only individuals with a valid doctor's recommendation or a MMIC (which must be renewed annually).

With operations since 2003, GOE has built a trusted relationship with its patients and customers by providing safe access and top-quality products at competitive prices. Opening with the Medical Only limitation runs a high risk of GOE losing the trust of existing and new customers. Once a customer is turned away the trust lost is nearly impossible to earn back. This is a severe negative consequence for the Eden brand in general and for Eden Union City. However, providing medical cannabis has always been at the core of GOE, and despite its support of Adult Use, the Principals have no plans to abandon their medical roots at Eden Union City and intend on using the Dispensary's multi-purpose room to host educational workshops that highlight proper test dosing and seminars on topics such as the endocannabinoid system. As an Adult Use Storefront Retailer, Eden would ensure that all members of the community felt included and leave the dispensary having engaged in a meaningful, positive, and educational cannabis experience.

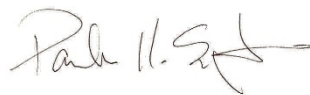
As data and market predictions from California indicate, there is a clear need and strong support for transitioning to Adult Use in today's cannabis marketplace. To demonstrate the community's desire for Adult Use sales, a Petition was circulated by Eden seeking local opinions from City residents regarding their feeling towards Adult Use Operations at the City's Storefront Retailers. The Petition was signed by over 750 residents, for Adult Use and specifically Eden's efforts to bring its long-standing reputation of top-quality service to the community.

III. RECOMMENDATION

On behalf of Eden Campus, we strongly urge the Council to direct Staff to prepare amendments and set a meeting to introduce and approve expand the existing allowance for permitted Storefront Retailers to engaged in both Medical and Adult Use sales of commercial cannabis.

Thank you for your consideration of this matter.

Respectfully Submitted,



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